



The Scottsdale/Paradise Valley Tourism Study — *Part I: Lodging Statistics*



December 2011
Economic Development Department



Part I: Lodging Statistics

December 2011

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I. STUDY OVERVIEW

Part I: Lodging Statistics

Part I of *The Scottsdale/Paradise Valley Tourism Study* analyzes trends relating to the lodging industry in the Scottsdale/Paradise Valley tourist market area. The study looks specifically at trends in local transient occupancy tax (bed tax) collection, room inventory, average room rates, occupancy rates, and other factors relating to lodging trends. The Lodging Statistics study is designed to provide necessary data relating to the lodging industry for developers, local hoteliers, tourism marketing representatives, financing agencies, and others with an interest in hospitality industry trends.

The Scottsdale/Paradise Valley Tourism Study, Part I: Lodging Statistics report is prepared annually and is available at no charge from the City of Scottsdale Economic Development Department, or <http://www.scottsdaleaz.gov/economics>.

The Economic Development Department welcomes your input and suggestions for changes and additions in future issues of this publication, and is pleased to grant permission to use excerpts from this material when credit is given to the City of Scottsdale.

While information in this report is deemed accurate, no guarantees are made or implied. Users should rely on their own research and conclusions regarding the conditions and viability of the Scottsdale lodging market.

Part II: Visitor Statistics

Part II of the Tourism Study deals with trends relating to tourists themselves. It examines the total number of tourists, their spending patterns and socio-demographic profiles, and the overall economic impact of the tourism industry in the study area. The Visitor Statistics study is designed to provide data that gives a profile of the type of tourist that comes to the area, and to evaluate the economic impact tourism has on the community.

The Scottsdale/Paradise Valley Tourism Study, Part II: Visitor Statistics report is prepared once a year, and is available at no charge from the City of Scottsdale Economic Development Department, or <http://www.scottsdaleaz.gov/economics>.

II. THE SCOTTSDALE/PARADISE VALLEY TOURISM STUDY: INTRODUCTION & LIMITATIONS

Introduction

The economy of the Scottsdale/Paradise Valley area is integrally linked to the tourism industry. Yet, until the early 1990's, limited information existed on the impact of tourism on our economy. The lack of information made it difficult to predict the impacts of new developments, track changes in the market, or understand the best way to promote the market.

The primary purpose of *The Scottsdale/Paradise Valley Tourism Study: Parts I and II* is to provide market information for the tourism, retail, and hospitality operations within the study area. The reports provide information to elected officials, city management, the general public, and private-sector entities regarding the tourism and hospitality markets.

Did you know?

The economy of the Scottsdale/Paradise Valley area is integrally linked to the tourism industry.

Study Limitations

Much of the information contained in the Lodging Statistics study is based on tax collection figures, and will therefore have certain limitations. Bed tax collection figures are used because they are consistently tracked and readily available, but it is important to remember these three points:

- ◇ The tax receipt figures shown for each month reflects actual sales tax and bed tax collections during the previous month. There is a lag of one month between sales activity and receipts.
- ◇ The data in this report (with the exception of room stock figures) is based primarily on properties located within the City of Scottsdale.
- ◇ With the exception of room stock data, no information is available for properties that lie just outside the corporate limits of the City of Scottsdale and the Town of Paradise Valley. It may be reasonable to assume the data for these properties would be very similar to similar properties in the market area, but no projections are made as part of this report.

III. EXECUTIVE SUMMARY

- ◇ Scottsdale's bed tax revenues totaled \$9,052,282 in 2010, up 21.7 percent from 2009. In 2010, the bed tax rates increased from 3% to 5%.
- ◇ Annual occupancy for the Scottsdale/Paradise Valley market area in 2010 was 60.3 percent, up from 56 percent in 2009.
- ◇ The market area has absorbed nearly 3,400 rooms since 2001.
- ◇ The percentage of room revenue to total hotel revenues in 2010 was 61.5 percent.
- ◇ In the past 10 years, the bed tax has generated over \$81 million in revenue for the City of Scottsdale.
- ◇ The average room rate in 2010 was \$136.99, a decrease from the 2009 average of \$139.28 per room.
- ◇ Hotel/motel sales tax revenues for Scottsdale in 2010 rose 2.7 percent from last year, totaling \$6,674,262 in collections.

IV. THE SCOTTSDALE/PARADISE VALLEY MARKET AREA

Map 1 (p. 9) shows the boundaries of the Scottsdale/Paradise Valley market area, and the locations of market area hotels. The market area contains all of the City of Scottsdale and the Town of Paradise Valley; portions of the cities of Phoenix and Tempe; and parts of the towns of Carefree, Cave Creek, Fountain Hills, and the Salt River Pima Maricopa Indian Community (SRPMIC).

Table 1 (p. 10) lists the hotels in the Scottsdale/Paradise Valley market area.

Did you know?

The Scottsdale/Paradise Valley market area has 83 resorts and hotels, with over 16,590 rooms.



Map 1 MARKET AREA

City Limits
Market Area

JOY RANCH
STAGECOACH PASS
CAREFREE HWY.
DOVE VALLEY
LONE MOUNTAIN
DIXILETA
DYNAMITE
JOMAX
HAPPY VALLEY
PINNACLE PEAK
DEER VALLEY
BEARDSLEY
OUTER LOOP
UNION HILLS
BELL/FRANK LLOYD
WRIGHT BLVD.
GREENWAY
THUNDERBIRD
CACTUS
SHEA
DOUBLE TREE
McCORMICK PKWY.
INDIAN BEND
LINCOLN
McDONALD
CHAPARRAL
CAMELBACK
INDIAN SCHOOL
THOMAS
McDOWELL
McKELLIPS

Town of
Carefree

City of
Phoenix

City of
Scottsdale

Town of
Paradise Valley

Town of
Fountain Hills

City of
Tempe

48th ST.

56th ST.

64th ST.

SCOTTSDALE

HAYDEN

PIMA

Outer Loop - Pima Freeway 101

104th ST.

110th ST.

120th ST.

124th ST.

130th ST.

136th ST.

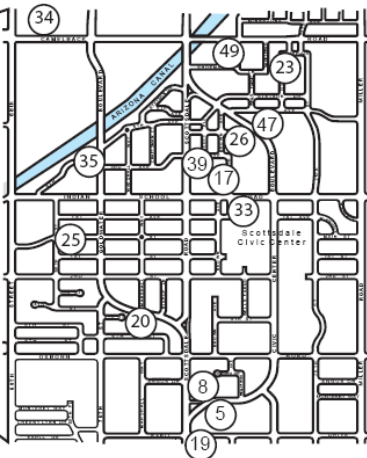


Table 1
Existing Scottsdale/Paradise Valley Market Area Properties
(Transient Use Properties With 25 or More Rooms)

Scottsdale Properties

Key	Property Name	Address	Web Address	# Rooms
1	Best Western Papago Inn	7017 E. McDowell Rd.	BestWestern.com	58
2	The Boulders	34631 N. Tom Darlington	Wyndham.com	160
3	Chaparral Suites	5001 N. Scottsdale Rd.	Chaparralsuites.com	311
4	Comfort Inn	7350 E. Gold Dust Ave.	Choicehotels.com	122
5	Comfort Suites	3275 N. Drinkwater Blvd.	Choicehotels.com	60
6	Country Inn & Suites	10801 N. 89th Pl.	Choicehotels.com	163
7	Courtyard by Marriott (Mayo)	13444 E. Shea Blvd.	Marriott.com	124
8	Courtyard by Marriott (Old Town)	3311 N. Scottsdale Rd.	Marriott.com	180
9	Days Inn	4710 N. Scottsdale Rd.	Daysinn.com	167
10	Extended Stay America	15501 N. Scottsdale Rd.	Extendedstay.com	121
11	Extended Stay Deluxe	10660 N. 69th St.	Sierrasuites.com	106
12	Fairmont Resort	7575 E. Princess Dr.	Fairmont.com	649
13	FireSky Resort & Spa	4925 N. Scottsdale Rd.	Caleoresort.com	204
14	Four Seasons Resort	10600 E. Crescent Moon	Fourseasons.com/scottsdale	210
15	Gainey Suites	7300 E. Gainey Suites Dr.	Gaineysuiteshotel.com	162
16	Hampton Inn Scottsdale	10101 N. Scottsdale Rd.	Hamptoninn.com	130
17	Hilton Garden Inn (Old Town)	7324 E. Indian School Rd.	Hilton.com	199
18	Hilton Garden Inn (Perimeter Ctr.)	8550 E. Princess Dr	Hilton.com	122
19	Holiday Inn Express	3131 N. Scottsdale Rd.	Holidayinnarizona.com	170
20	Homestead Scottsdale	3560 N. Marshall Way	stayhsd.com	121
21	Homewood Suites by Hilton	9880 N. Scottsdale Rd.	Homewood-suites.com	114
22	Hospitality Suites	409 N. Scottsdale Rd.	Hospitalitysuites.com	210
23	Hotel Indigo Scottsdale	4415 N. Civic Center Plaza	Hamptoninn.com	126
24	Hotel Scottsdale	5101 N. Scottsdale Rd.	thehotelscottsdale.com	210
25	Hotel Valley Ho	6902 E. 1st St.	Hotelvalleyho.com	193
26	Hyatt Place (Old Town)	7300 E. 3rd Ave.	hyatt.com	127
27	Hyatt Regency Scottsdale	7500 E. Doubletree Ranch	scottsdale.hyatt.com	493
28	The Inn at Pima	7330 N. Pima Rd.	zmchotels.com/az/pima.html	121
29	La Quinta	8888 E. Shea Blvd.	lq.com	140
30	Marriott at McDowell Mountain	16770 N. Perimeter Dr.	scottsdalemarriott.com	270
31	Marriott TownePlace	10740 N. 90th St.	Marriott.com	131
32	Millennium (McCormick Ranch)	7401 N. Scottsdale Rd.	Millenniumhotels.com	125
33	Saguaro Hotel	7353 E. Indian School Rd.	jdvhoteles40-px.trvlclick.com/hotels/saguaro	189
34	Motel 6	6848 E. Camelback Rd.	Motel6.com	122
35	Ramada Limited	6935 E. 5th Ave.	Ramadascottsdale.com	91
36	Residence Inn Scottsdale North	17011 N. Scottsdale Rd.	Marriott.com	120
37	Residence Inn Scottsdale/PV	6040 N. Scottsdale Rd.	Marriott.com	122
38	Scottsdale Hilton Resort & Villa	6333 N. Scottsdale Rd.	Hilton.com	235
39	Scottsdale Marriott Suites	7325 E. 3rd Ave.	marriottsuitesscottsdale.com	243
40	Scottsdale Park Suites	1251 N. Miller Rd.	scottsdaleparksuites.com	95
41	Scottsdale Resort & Conference Ctr.	7700 E. McCormick Pkwy.	thescottsdaleresort.com	326
42	Scottsdale Resort & Athletic Club	8235 E. Indian Bend Rd.	scottsdaleresortandathleticclub.com	85
43	Scottsdale Thunderbird Suites	7515 E. Butherus Dr.	thunderbirdsuiteshotel.com	120
44	Scottsdale Links Resort	16858 N. Perimeter Dr.	scottsdalelinks.com	228
45	Scottsdale Villa Mirage	7887 E. Princess Blvd.	Villa-mirage.com	224

Table 1 (Continued)
Existing Scottsdale/Paradise Valley Market Area Properties
Scottsdale Properties (Continued)

Key	Property Name	Address	Web Address	# Rooms
46	Sheraton's Desert Oasis	17700 N Hayden Rd.	starwoodhotels.com/sheraton	300
47	Summerfield Suites	4245 N. Drinkwater Dr.	Wyndham.com	164
48	Three Palms Resort Oasis	7707 E. McDowell Rd.	scottsdale-resort-hotels.com	119
49	W Hotel	7277 E. Camelback Rd.	starwoodhotels.com/whotels	224
50	Wingate Inn & Suites	14255 N. 87th St	Scottsdalewingate.com	117
51	Xona Resort Suites	7677 E. Princess Blvd.	Resortsuites.com	431
Total Scottsdale Properties				9,354
Paradise Valley Properties*				
52	Doubletree Paradise Valley Resort	5401 N. Scottsdale Rd.	Doubletree.com	378
53	Hermosa Inn**	5532 N. Palo Cristi Dr.	Hermosainn.com	34
54	InterContinental Montelucia	4949 E. Lincoln Dr.	icmontelucia.com	293
55	Marriott JW Camelback Inn	5402 E. Lincoln Dr.	Marriott.com	453
56	Sanctuary Resort on Camelback	5700 E. McDonald Dr.	Sanctuaryaz.com	105
57	Scottsdale Cottonwoods Resort	6160 N. Scottsdale Rd.	scottsdalecottonwoods.com	170
58	Scottsdale Plaza Resort	7200 N. Scottsdale Rd.	Scottsdaleplaza.com	404
59	Smoke Tree Resort	7101 E. Lincoln Dr.	Smoketreeresort.com	25
Total Paradise Valley Properties				1,862
Other Market Properties (Carefree, Fountain Hills, Phoenix, Tempe, SRPMIC)*				
60	Aloft Tempe	951 E. Playa del Norte Dr.	starwoodhotels.com/aloft	136
61	Best Western Inn of Tempe	630 N. Scottsdale Rd.	bestwesternarizona.com	103
62	Carefree Resort & Villas	37220 N. Mule Train Rd.	Carefree-resort.com	330
63	Comfort Inn (Fountain Hills)	17105 E. Shea Blvd.	Choicehotels.com	48
64	CopperWynd (Fountain Hills)	13225 Eagle Mountain Dr.	Copperwynd.com	31
65	Country Inn & Suites (Tempe)	808 N. Scottsdale Rd.	countryinns.com	80
66	Courtyard by Marriott (North)	17010 N. Scottsdale Rd.	Marriott.com	153
67	Desert Ridge Marriott (Phoenix)	5350 E. Marriott Dr.	Desertridgeresort.com	950
68	Fairfield Inn (North)	13440 N. Scottsdale Rd.	Marriott.com	131
69	Hampton Inn/Suites (North)	16620 N. Scottsdale Rd.	Hamptoninn.com	123
70	Hampton Inn/Suites (Tempe)	1429 N. Scottsdale Rd.	Hamptoninn.com	162
71	Holiday Inn (Fountain Hills)	12800 N. Saguaro Blvd.	Holidayinn.com/fountainhills	104
72	Inn at Eagle Mountain	9800 Summer Hill Blvd.	innateaglemountain.com	42
73	Motel 6 (Tempe)	1612 N. Scottsdale Rd.	Motel6.com	100
74	Orange Tree Golf Resort (Phoenix)	10601 N. 56th St.	Orangetreegolfresort.com	160
75	The Phoenician (Phoenix)	6000 E. Camelback Rd.	thephoenician.com	647
76	Quality Suites	1635 N. Scottsdale Rd.	qualityinn.com	140
77	Radisson (Fort McDowell)	10438 N. Ft. McDowell Rd.	radisson.com/ftmcdowellaz	246
78	Royal Palms Inn (Phoenix)	5200 E. Camelback Rd.	royalpalmsotel.com	119
79	Scottsdale Camelback Resort (Phx)	6302 E. Camelback Rd.	Scottsdalecamelback.com	111
80	Sleep Inn (Phoenix)	16630 N. Scottsdale Rd.	Choicehotels.com	107
81	Springhill Suites (Phoenix)	17020 N. Scottsdale Rd.	Marriott.com	123
82	Talking Stick Resort	9800 E. Indian Bend Rd.	Talkingstickresort.com	497
83	Westin Kierland Resort (Phoenix)	6902 E. Greenway Pkwy.	Kierlandresort.com	732
Total Other Market Properties				5,375

Source: City of Scottsdale, Economic Development Department

*These properties do not pay bed taxes or hotel sales taxes to the City of Scottsdale, & not all are included in the Scottsdale market data.

V. TRENDS IN TAX COLLECTION

Transient Occupancy Tax (Bed Tax)

The City of Scottsdale has a five percent transient occupancy tax (bed tax). In the past ten years, the bed tax has generated over \$81 million in revenue for the City. A recent financial policy was approved by City Council allocating bed tax funds on a percentage basis toward the City's general fund, destination marketing, tourism related capital projects, tourism events, and research.

Table 2 (p. 13) presents monthly and yearly breakdowns of the bed tax receipts for Scottsdale from calendar year 2001 through 2010. During 2010, the City collected 9,052,282 in bed taxes, a 21 percent increase from 2009 collections. The increase in bed tax collections can be attributed to the change in the bed tax collection percentage rate as well as an increase in collections due to a strengthening Scottsdale tourism industry. Offsetting the increase in the bed tax percentage rate from 3 to 5 percent. Bed tax collections increased by 8% when compared to 2009.



Sales Tax

In addition to bed tax, the City of Scottsdale tracks collection of the transaction privilege (sales) and use tax (1.65 percent) on all sales transactions in hotels. Maintaining a separate listing of all sales taxes received from hotels and motels provides a mechanism to track visitor purchasing trends.

Sales tax revenues generated by hotel/motel properties in 2010 totaled 6,674,262, a 2.7 percent increase from 2009. Around 42 percent of the revenues in this category were generated during the peak season (mid-January through April). Since 2001, the hotel/motel sales tax has generated over \$70 million in revenues for the City of Scottsdale.

Table 3 (p. 14) enumerates sales tax collected from Scottsdale hotels and motels since 2001.

Did you know?

In the past ten years, the bed tax has generated over \$81 million in revenue for the City of Scottsdale.

Table 2
Monthly Bed Tax Receipts in Dollars
City of Scottsdale
(5% Bed Tax Rate)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2001	\$565,432	\$850,937	\$1,007,629	\$1,198,098	\$820,996	\$596,238	\$372,650	\$235,168	\$280,990	\$277,310	\$487,649	\$583,399	\$7,276,496
2002	\$449,985	\$775,851	\$862,460	\$1,100,792	\$787,004	\$535,965	\$312,734	\$239,386	\$279,403	\$344,487	\$587,069	\$571,710	\$6,846,846
2003	\$471,792	\$746,800	\$897,381	\$1,003,655	\$737,465	\$504,220	\$304,820	\$243,645	\$264,186	\$382,989	\$602,385	\$553,865	\$6,713,203
2004	\$505,451	\$768,241	\$975,676	\$1,154,875	\$853,472	\$557,396	\$364,844	\$281,293	\$288,503	\$423,155	\$638,982	\$627,781	\$7,439,669
2005	\$537,716	\$836,835	\$1,028,404	\$1,255,394	\$1,005,729	\$645,984	\$399,428	\$331,683	\$361,974	\$506,242	\$684,021	\$682,816	\$8,276,226
2006	\$701,101	\$966,366	\$1,065,586	\$1,373,686	\$1,123,309	\$702,111	\$472,291	\$371,782	\$379,088	\$556,836	\$832,095	\$830,766	\$9,375,017
2007	\$693,215	\$1,145,22	\$1,132,446	\$1,427,745	\$1,098,091	\$751,622	\$504,334	\$365,852	\$403,225	\$558,736	\$871,790	\$789,492	\$9,741,770
2008	\$629,853	\$1,065,63	\$1,361,716	\$1,395,675	\$1,057,041	\$710,413	\$412,163	\$294,899	\$373,040	\$508,832	\$730,114	\$739,333	\$9,278,713
2009	\$567,325	\$838,870	\$886,188	\$1,039,177	\$748,393	\$484,786	\$366,474	\$287,445	\$293,820	\$371,649	\$547,610	\$653,810	\$7,085,548
2010	\$496,390	\$746,527	\$828,485	\$1,150,123	\$783,160	\$560,558	\$393,529	\$468,069	\$481,170	\$634,850	\$1,518,628	\$990,792	\$9,052,282
% of 2010 Total	5.5%	8.2%	9.2%	12.7%	8.7%	6.2%	4.3%	5.2%	5.3%	7.0%	16.8%	10.9%	100%
Avg % of 10 yr Total	6.9%	10.8%	12.4%	14.9%	11.1%	7.5%	4.8%	3.8%	4.2%	5.6%	9.2%	8.7%	100%

Source: City of Scottsdale, Tax Audit Department

Note: Bed tax is normally received by the City the month after it is collected by the property. Therefore, the figures above generally reflect activity in the previous month, and do not account for late payments.

* The bed tax rate increased from 3% to 59% in July 2010.

Table 3 Monthly Hotel/Motel Sales Tax Receipts City of Scottsdale													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2001	\$488,363	\$607,198	\$763,428	\$848,912	\$636,231	\$515,856	\$332,858	\$207,730	\$241,810	\$212,854	\$391,641	\$464,938	\$5,711,819
2002	\$466,068	\$575,936	\$614,064	\$792,876	\$620,555	\$472,598	\$314,162	\$199,436	\$221,330	\$309,471	\$472,485	\$476,151	\$5,535,132
2003	\$401,062	\$553,865	\$648,648	\$714,211	\$582,669	\$457,299	\$278,415	\$209,706	\$229,814	\$341,882	\$489,418	\$466,400	\$5,373,389
2004	\$418,115	\$590,904	\$733,957	\$794,481	\$663,302	\$505,342	\$324,116	\$262,045	\$296,537	\$412,645	\$634,702	\$616,020	\$6,252,166
2005	\$492,499	\$742,486	\$955,659	\$844,517	\$842,451	\$611,610	\$433,610	\$337,112	\$347,981	\$505,882	\$682,998	\$751,547	\$7,548,352
2006	\$600,887	\$869,474	\$903,148	\$1,174,554	\$999,726	\$706,356	\$511,719	\$387,072	\$327,226	\$582,029	\$803,072	\$793,331	\$8,645,390
2007	\$780,696	\$975,356	\$1,055,525	\$1,196,209	\$984,026	\$776,973	\$537,883	\$381,264	\$400,036	\$562,435	\$843,962	\$766,421	\$9,260,786
2008	\$592,259	\$895,245	\$1,137,945	\$1,154,901	\$966,741	\$745,421	\$457,592	\$335,484	\$366,765	\$519,887	\$758,464	\$747,485	\$8,678,189
2009	\$547,862	\$731,660	\$729,751	\$864,429	\$673,149	\$488,280	\$376,734	\$287,040	\$280,578	\$385,472	\$515,900	\$612,231	\$6,493,087
2010	\$440,919	\$677,912	\$735,942	\$964,132	\$740,407	\$566,477	\$414,722	\$283,426	\$280,156	\$345,904	\$647,243	\$577,022	\$6,674,262
% of 2010 Total	6.6%	10.2%	11.0%	14.4%	11.1%	8.5%	6.2%	4.2%	4.2%	5.2%	9.7%	8.6%	100.0%
Avg % of 10yr Total	7.5%	10.3%	11.8%	13.3%	11.0%	8.3%	5.7%	4.1%	4.3%	6.0%	8.9%	8.9%	100.0%

Source: City of Scottsdale, Tax Audit Department

Note: Sales tax is normally reported to the City the month after receipt. The figures listed above generally reflect activity from the previous month, and do not account for late payments.

*The sales tax rate increased from 1.4% to 1.65% in July of 2004.

**2006 year-end total adjusted to include a one-time rebate.

VI. TRENDS IN ROOM INVENTORY

Room Supply

Table 4 reflects hotel room supply inventory for the study market area since 2001. Market area room inventory declined in 2004 and 2005, and once again in 2009 and 2010. However, the market overall has grown by over 21 percent—nearly 3,000 rooms—during the past ten years

Table 5 shows the room inventory of the City of Scottsdale by category.

Table 4 Hotel Inventory <i>Total Hotel Market Area Properties</i>				
Year	City of Scottsdale	Town of Paradise Valley	Other Market Area Hotels	Total
2001	8,732	2,172	2,344	13,248
2002	8,769	2,174	4,149	15,092
2003	9,035	2,172	4,277	15,484
2004	8,848	1,835	4,166	14,849
2005	8,932	1,598	4,141	14,671
2006	9,021	1,564	4,679	15,264
2007	9,167	1,572	4,606	15,345
2008	9,444	1,865	4,928	16,237
2009	9,397	1,864	4,889	16,150
2010	9,354	1,862	5,375	16,591

Source: Smith Travel Research (STR); Economic Development Department

Note: Only hotel properties with 25 or more rooms are included

Table 5 Room Inventory by Category* <i>City of Scottsdale - 2010</i>		
Category	# of Rooms	% of Market
Resort	3,855	41%
Full Service	2,080	22%
Limited Service	3,419	37%
Total	9,354	100%

Source: Smith Travel Research, Economic Vitality Department

*Only Scottsdale bed-tax paying properties counted.

New Market Area Hotels

Due to economic conditions, growth in the local hotel market has been limited. Outside of the Scottsdale area, Talking Stick Resort located in the Salt River Pima Maricopa Indian Community opened in 2010 with 496 rooms. Prior developments include the W Hotel in Downtown Scottsdale with 224 rooms and the 293-room InterContinental Montelucia in Paradise Valley.

In addition, the 136-room Aloft hotel opened in north Tempe in 2009. Since 2002, other completed market area properties include the 950-room JW Marriott Desert Ridge hotel and the 753-room Westin Kierland Resort, both of which are located in Phoenix near the Scottsdale border.

In Scottsdale, the opening of the Wingate Hotel (117 rooms) and the Hilton Garden Inn Perimeter Center (122 rooms) in late 2004 and early 2005, respectively, somewhat offset the loss of the Radisson Resort (318 rooms), which was sold for condominium development.

The emergence of upscale “urban chic” properties in Downtown Scottsdale began in late 2005 with the opening of the renovated Hotel Valley Ho resort (193 rooms). More recently, an existing property was re-branded as the Saguaro Hotel (189 rooms). The Best Western Sun Dial hotel (54 rooms) opened in downtown Scottsdale in 2009.

Property Inventory

Table 6 (p. 17) lists the existing hotel properties within the Scottsdale/Paradise Valley market area. The properties are classified by facility type, and also provide room and general manager information.

Note: Prior to the 2004 Lodging Statistics Report, hotels were classified as Luxury, Moderate, and Limited Service. The hotels have been reclassified, based on Smith Travel Research information, as Resort, Full Service, and Limited Service, to better describe hotel facilities.

Did you know?

The market area has absorbed nearly 3,400 rooms since 2001.



Table 6 Resort Hotel Properties <i>Scottsdale/Paradise Valley Market Area</i>			
Property Name	General Manager	# of Rooms	Location
The Boulders	Michael Hoffmann	160	Scottsdale
Carefree Resort & Villa	John Schilling	330	Carefree
Desert Ridge Marriott	Steve Hart	950	Phoenix
Doubletree Paradise Valley Resort	Doug Heaton	378	Paradise Valley
Fairmont Resort	Jack Miller	649	Scottsdale
FireSky Resort & Spa	Jim Hollister	204	Scottsdale
Four Seasons Resort	Vince Parrotta	210	Scottsdale
Hyatt Regency Scottsdale	Michael Stephens	493	Scottsdale
InterContinental Montelucia	Valeriano Antonioli	293	Paradise Valley
Marriott JW Camelback Inn	Jim Rose	453	Paradise Valley
Marriott at McDowell Mountain	Karen Chastain	270	Scottsdale
Millennium (McCormick Ranch)	David McKee	125	Scottsdale
Orange Tree Golf Resort	Bruce Hamm	160	Phoenix
The Phoenician	Mark Vinciguerra	647	Phoenix
Royal Palms Inn	Pete Ells	119	Phoenix
Sanctuary Resort on Camelback	Mike Surguine	105	Paradise Valley
Scottsdale Cottonwoods Resort	Sal Soto	170	Paradise Valley
Scottsdale Hilton Resort & Villas	Doug Heaton	235	Scottsdale
Scottsdale Plaza Resort	Kelly Reading	404	Paradise Valley
Scottsdale Resort & Conference Center	Brenda Weskamp	326	Scottsdale
Sheraton's Desert Oasis	Cassandra Wilkins	300	Scottsdale
Scottsdale Links Resort	Kristy Lewis	228	Scottsdale
Scottsdale Villa Mirage	Michael Brown	224	Scottsdale
Talking Stick Resort	Rob McCreary	497	Scottsdale
Westin Kierland Resort	Bruce Lange	732	Phoenix
Zona Resort Suites	Bruce Pittet	431	Scottsdale

Source: City of Scottsdale, Economic Development Department

Table 6 (Continued)
Full Service Hotel Properties
Scottsdale/Paradise Valley Market Area

Property Name	General Manager	# of Rooms	Location
Best Western Papago Inn	Christine Mischele	58	Scottsdale
Chaparral Suites	Tom Silverman	311	Scottsdale
CopperWynd	Amy Madden	31	Fountain Hills
Hermosa Inn	Michael Gildersleeve	34	Paradise Valley
Hilton Garden Inn (Old Town)	Matthew McKee	199	Scottsdale
Hilton Garden Inn (Perimeter Center)	Macy Allen	122	Scottsdale
Hospitality Suites	Steve Jackson	210	Scottsdale
Hotel Indigo Scottsdale	Ryan Burkart	126	Scottsdale
Hotel Valley Ho	Andrew Chippindall	193	Scottsdale
Inn at Eagle Mountain	Brady Murray	43	Fountain Hills
Radisson (Fort McDowell)	Bert Parra	246	Fort McDowell
Saguaro Hotel	John Reynolds	189	Scottsdale
Scottsdale Camelback Resort	Lori Entwistle	111	Phoenix
Scottsdale Marriott Suites	Karen Chastain	243	Scottsdale
Scottsdale Resort & Athletic Club	Toni Avena	85	Scottsdale
Scottsdale Thunderbird Suites	Fred Pratt	120	Scottsdale
W Hotel	Ren Hirose	224	Scottsdale

Source: City of Scottsdale, Economic Development Department

Table 6 (Continued) Limited Service Hotel Properties <i>Scottsdale/Paradise Valley Market Area</i>			
Property Name	General Manager	# of Rooms	Location
Aloft Tempe	Jamie Metzger	136	Tempe
Best Western Inn of Tempe	Senha Seth	103	Tempe
Comfort Inn	Adam Hoagleund	122	Scottsdale
Comfort Inn (Fountain Hills)	Sam Trivedi	48	Fountain Hills
Comfort Suites	Tammy Martin	60	Scottsdale
Country Inn & Suites	Mary Huerta	163	Scottsdale
Country Inn & Suites (Tempe)	David Crum	80	Tempe
Courtyard by Marriott (Mayo)	Karen Boeck	124	Scottsdale
Courtyard by Marriott (North)	Greg James	153	Phoenix
Courtyard by Marriott (Old Town)	Anne Cvelich	180	Scottsdale
Days Inn	Debbie Coffelt	167	Scottsdale
Quality Suites	Misty Thomas	140	Tempe
Extended Stay America	Chris Crawford	121	Scottsdale
Extended Stay Deluxe	Travis Cornell	106	Scottsdale
Fairfield Inn (North)	Sheryl Bortolotti	131	Phoenix
Gainey Suites	Richard Newman	162	Scottsdale
Hampton Inn Scottsdale	Michelle Thompson	130	Scottsdale
Hampton Inn/Suites (North)	Kelly Dewey	123	Phoenix
Hampton Inn/Suites (Tempe)	Pilar Spresser	162	Tempe
Holiday Inn (Fountain Hills)	Gary Levov	104	Fountain Hills
Holiday Inn Express	Trisha Ryno	170	Scottsdale
Homestead Scottsdale	Danny Guerra	121	Scottsdale
Homewood Suites by Hilton	Kristen Freeman	114	Scottsdale
Clarion Hotel Scottsdale	Adam Schanze	210	Scottsdale
Hyatt Place (Old Town)	Janet Woolf-Hof	127	Scottsdale
The Inn at Pima	Michelle Thompson	121	Scottsdale
La Quinta	Shane Sandau	140	Scottsdale
Marriott TownePlace	Ryan Banks	131	Scottsdale
Motel 6	Annalyn Rhodes	122	Scottsdale
Motel 6 (Tempe)	Lisa Smith	100	Tempe
Travel Lodge	Kristy Lewis	91	Scottsdale
Residence Inn Scottsdale North	Terry Mayberry	120	Scottsdale
Residence Inn Scottsdale/PV	Edie Mayer	122	Scottsdale
Scottsdale Park Suites	Favy Torres	95	Scottsdale
Sleep Inn	Kelly Dewey	107	Phoenix
Smoke Tree Resort	Colin Williams	25	Paradise Valley
Springhill Suites	Greg James	123	Phoenix
Summerfield Suites	David Murray	164	Scottsdale
Three Palms Resort Oasis	Sanford Potter	119	Scottsdale
Wingate Inn & Suites	Lacey Valentine	117	Scottsdale

Source: City of Scottsdale, Economic Development Department

VII. AVERAGE ROOM RATES AND OCCUPANCY

Average Room Rates

The City of Scottsdale, Economic Development Department provided estimates for average room rates from 1992 to 1999. In 2000, the Economic Development Department began using data from Smith Travel Research (STR). This research provides an indication of trending and competitive performance the City did not have access to before.

Chart 1 illustrates the average room rates within the Scottsdale/Paradise Valley market area since 2001. *Table 7* (p. 21) represents the same data. Smith Travel Research reports the average room rate for Scottsdale/Paradise Valley market area hotels in 2010 was \$136.99, down from \$139.28 in 2009.

Average Occupancy

In addition to using STR data for average room rates, the Economic Development Department began using STR for occupancy information in 2000. According to STR, hotels in the Scottsdale/Paradise Valley market area experienced an occupancy rate of 60.3 percent in 2010, a rise from 56.0 percent in 2009.

Occupancy rates for the last ten years are shown on *Table 7* (p. 21) and illustrated in *Chart 1*.

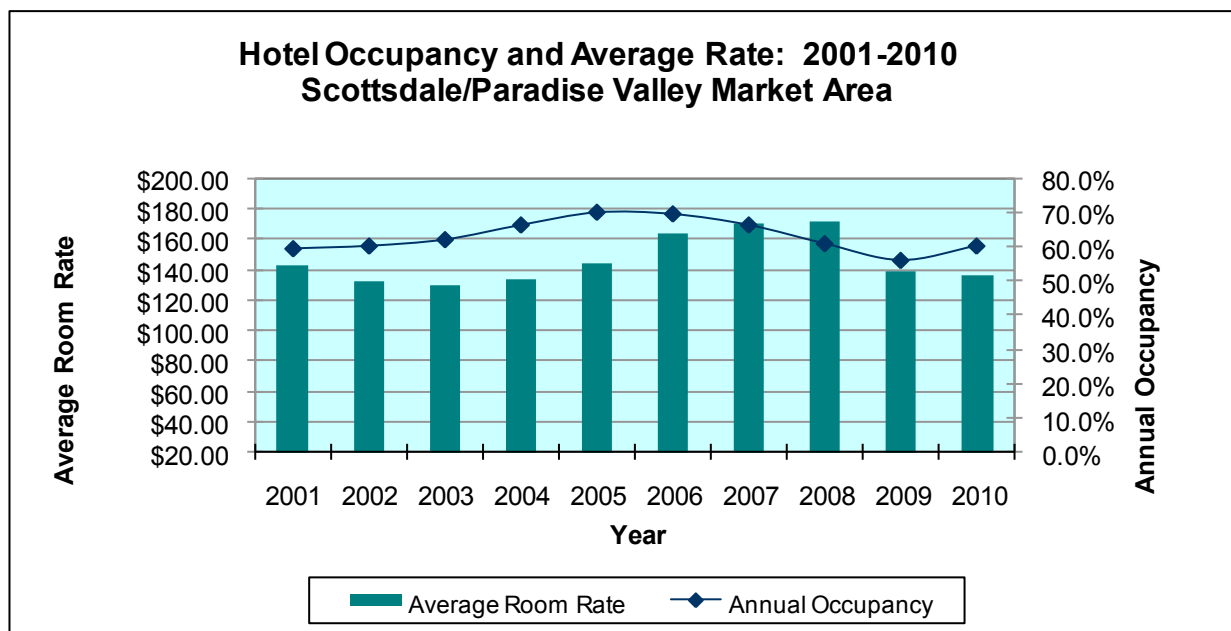


Table 7
Occupancy & Average Rate
Scottsdale/Paradise Valley Market Area

Year	Avg. Room Rate	x	Occupied Rooms	=	Gross Room Revenue	Room Supply	Annual Occupancy*
2001	\$143.34	x	2,533,188	=	\$363,107,168	4,254,075	59.5%
2002	\$133.63	x	2,517,138	=	\$336,365,151	4,175,407	60.3%
2003	\$130.84	x	2,539,213	=	\$332,230,629	4,081,474	62.2%
2004	\$134.20	x	2,755,729	=	\$369,818,832	4,138,776	66.6%
2005	\$145.31	x	2,726,848	=	\$396,238,283	3,872,943	70.4%
2006	\$164.19	x	2,782,578	=	\$456,871,482	3,982,638	69.9%
2007	\$170.59	x	2,657,005	=	\$453,258,483	3,990,500	66.6%
2008	\$172.26	x	2,457,869	=	\$423,392,514	4,030,283	61.0%
2009	\$139.28	x	2,327,536	=	\$324,179,214	4,154,413	56.0%
2010	\$136.99	x	2,508,930	=	\$343,698,321	4,163,920	60.3%

Source: Smith Travel Research

*Occupied Rooms divided by Room Supply



VIII. ROOM REVENUES VERSUS TOTAL HOTEL REVENUES

Table 8 compares the total room revenues to total hotel revenues for Scottsdale hotels, thereby providing a means of assessing the relative importance of room revenues compared to all other revenue sources within the hotels (food, beverage, gift shop, and recreational sales).

Over the past ten years, room revenues provided an average of 59.8 percent of total hotel revenues at Scottsdale properties. Since 2001, room revenues as a percentage of total hotel revenues have generally stayed in the 57-62 percent range. The contribution of room revenues as a percentage of total hotel revenues increased from 1996 to 2001, but the total room revenue dropped in 2002, due in part to the events of September 11, 2001, which reduced leisure travel and room rates.

Until 2008, the trend showed the percentage of room revenue decreasing relative to overall revenue and non-room revenue showing a relative increase within the City of Scottsdale.

In 2008 and 2009, the figures for total room revenue and total hotel revenue both continued to drop significantly due to the slowing economy. However, the percentage of room revenues to hotel revenues increased to 62% in 2008 and 61% in 2009. This increase is likely a reflection of the slowing overall national economy as visitors became more frugal with non-room expenditures. 2010 room revenues to hotel revenues continue to show this trend.

Table 9 and Chart 2 (p. 23) presents a comparison of total room revenues, total bed tax paid, and total privilege tax paid for Resort, Full Service, and Limited Service hotel/motels for calendar year 2010.

Note: Tables 8 and 9 refer solely to properties within Scottsdale. These properties are listed in the Scottsdale section of Table 1.

Did you know?

The percentage of room revenues to total hotel revenues in 2010 was 61.5 percent.

Table 8 Room Revenue vs. Total Hotel Revenue* City of Scottsdale			
Year	Total Room Revenue	Total Hotel Revenue	Room Revenue as % of Hotel Revenue
2001	\$242,786,933	\$410,128,214	58.4%
2002	\$228,261,533	\$395,366,643	59.2%
2003	\$223,773,433	\$383,813,500	57.7%
2004	\$247,986,323	\$422,604,186	58.3%
2005	\$268,823,783	\$441,296,718	58.7%
2006	\$312,478,767	\$523,963,030	59.6%
2007	\$324,725,700	\$561,259,697	57.9%
2008	\$299,229,502	\$481,624,704	62.1%
2009	\$226,988,494	\$366,964,525	61.9%
2010	\$248,254,906	\$403,369,537	61.5%
Avg 01-10	\$262,330,937	\$439,039,075	59.8%

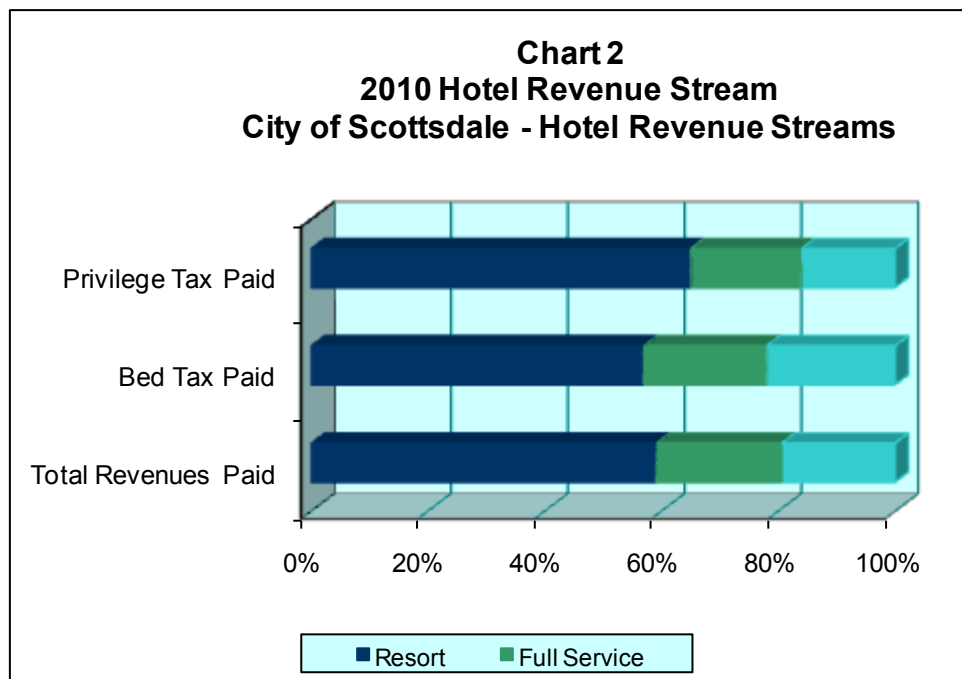
Source: City of Scottsdale, Financial Services Department, Tax Audit Division

*Based on revenues generated at properties within the City of Scottsdale

Table 9 Hotel Revenue Streams <i>City of Scottsdale</i> For 12 months ending December 2010			
	Total Revenues Paid	Bed Tax Paid	Privilege Tax Paid
Resort	59%	57%	65%
Full Service	21%	21%	19%
Limited Service	19%	22%	16%
Total	100%	100%	100%

Source: City of Scottsdale, Financial Services Department, Tax Audit Division

Note: Percentages may not add up to 100% due to rounding



IX. MARKET AREA GOLF, SPAS, AND DESTINATION EVENTS

Tourism in the City of Scottsdale is driven by several factors—destination resorts, special events, golf, desert environment, southwestern culture, and, of course, warm winters. This section provides an overview of the market area’s golf courses, spa facilities, and special events.

Golf

Tourists account for approximately 40 percent of golf play in Scottsdale, and accomplish a great deal of that play during peak season (January through April).

Table 10 (p. 25) lists the golf courses in the Scottsdale/Paradise Valley market area. *Map 2* (p. 27) shows where many of those golf courses are located. Access to private courses is not necessarily available to visitors. Further, some golf courses are open only to guests of adjacent hotels.

Did you know?

Scottsdale is widely known for its spectacular golf courses, recreational amenities, climate, five-star resorts, numerous events and attractions, the Sonoran desert, world-class restaurants, and art galleries.



Table 10

Golf Courses

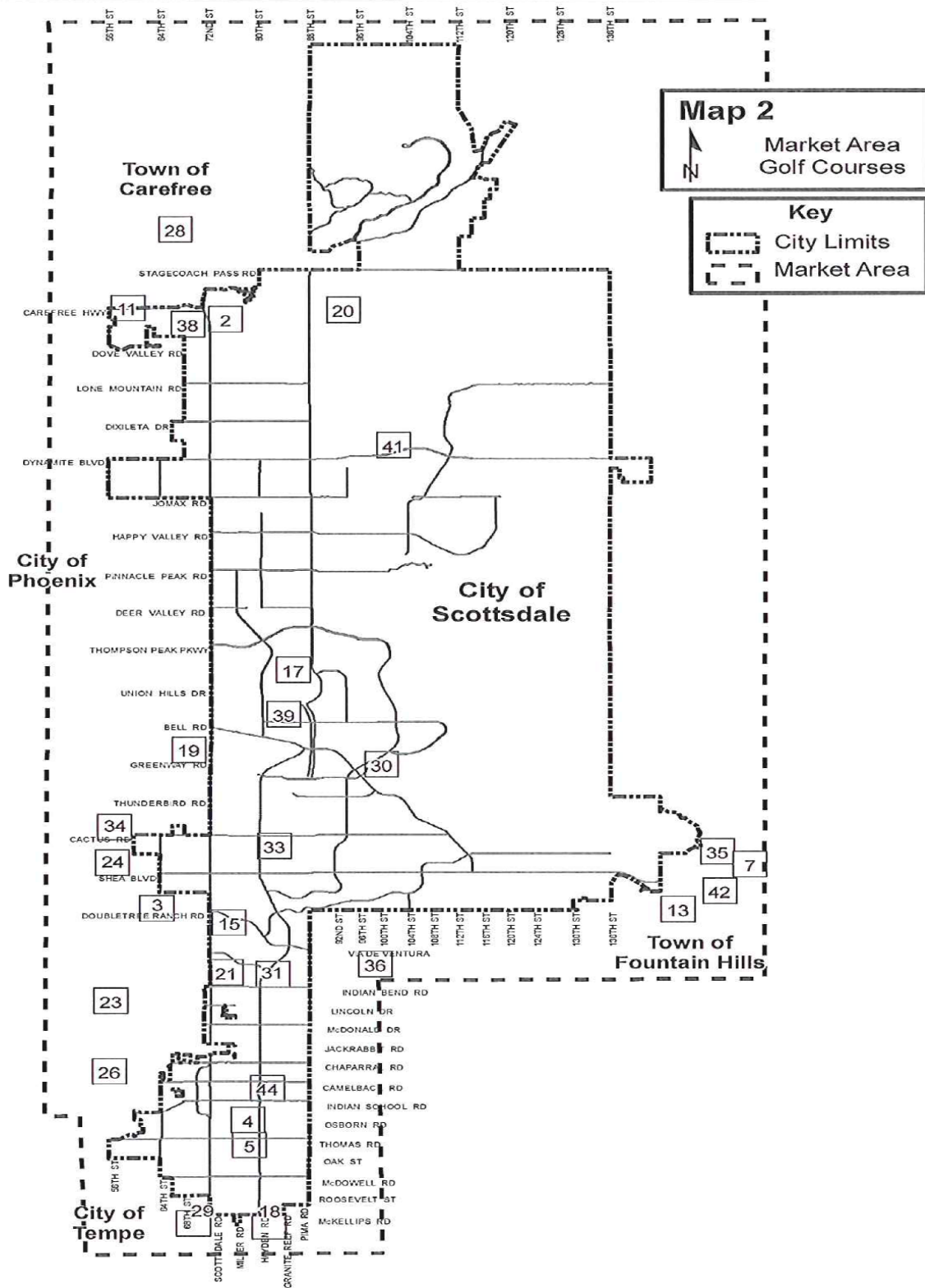
Scottsdale/Paradise Valley Market Area

Key	Course Name	Location	Holes	Course Design	Course Type	Par	Architect
1	Ancala C.C.	Scottsdale	18	Desert	Private*	72	Dye Design
2	Boulders Golf Club	Carefree	36	Desert	Semi-Private	72	Jay Morrish
3	Camelback Golf Club	Scottsdale	36	Traditional	Semi-Private	72	Arthur Hills/Jack Snyder
4	Continental Golf Club	Scottsdale	18	Traditional	Public	60	Hardin/Nash
5	Coronado Golf Course	Scottsdale	9 (exec)	Traditional	Public	31	Coggins/Lambe
6	DC Ranch C.C.	Scottsdale	18	Traditional	Private*	71	Lehman/Fought
7	Desert Canyon	Fountain Hills	18	Desert	Public	71	John Allen
8	Desert Highlands	Scottsdale	18	Desert	Private*	72	Jack Nicklaus
9	Desert Forest	Carefree	18	Desert	Private*	72	Robert Lawrence
10	Desert Mountain	Scottsdale	108	Desert	Private*	72	Jack Nicklaus
11	Dove Valley Ranch	Cave Creek	18	Desert	Public	72	Robert T. Jones Jr
12	The Estancia Club	Scottsdale	18	Desert	Private*	72	Tom Fazio
13	Eagle Mountain	Fountain Hills	18	Desert	Public	71	Scott Miller
14	Firerock C.C.	Fountain Hills	18	Desert	Private*	72	Gary Panks
15	GaiNEY Ranch	Scottsdale	27	Traditional	Private/Resort	72	Benz/Poellot
16	Golf Club of Scottsdale	Scottsdale	18	Desert	Private*	72	Jay Morrish
17	Grayhawk Golf Club	Scottsdale	36	Desert	Public	72	Graham/Panks/Fazio
18	Karsten (ASU)	Tempe	18	Scottish Links	Public	70	Pete Dye
19	Kierland Golf Club	Scottsdale	27	Desert	Public	72	Scott Miller
20	Legend Trail Golf Club	Scottsdale	18	Desert	Public	72	Rees Jones
21	McCormick Ranch	Scottsdale	36	Traditional	Public/Resort	72	Desmond Muirhead
22	Mirabel Club	Scottsdale	18	Links	Private*	72	Tom Fazio
23	Mountain Shadows	Paradise Valley	18	Traditional	Semi-Private	56	Jack Snyder
24	Orange Tree	Phoenix	18	Traditional	Public/Resort	72	Bulla/Hughes
25	Paradise Valley C.C.	Paradise Valley	18	Traditional	Private*	72	Lawrence Hughes
26	The Phoenician	Scottsdale	27	Desert	Public/Resort	70	Flint & Robinson
27	Pinnacle Peak C.C.	Scottsdale	18	Traditional	Private*	72	Dick Turner
28	Rancho Manana	Cave Creek	18	Desert	Semi-private	70	Bill Johnson
29	Rio Salado	Tempe	9	Traditional	Public	34	Mike Morely
30	McDowell Mountain Golf Club	Scottsdale	18	Desert	Public	71	Randy Heckenkamper

Table 10 (Continued)						
Key	Course Name	Location	Holes	Course Design	Course Type	Par Architect
31	Silverado Golf Club	Scottsdale	18	Traditional	Public	70 Gilmore/Graves
32	Silverleaf C.C.	Scottsdale	18	Desert	Private*	72 Tom Weiskopf
33	Starfire at Scottsdale C.C.	Scottsdale	27	Traditional	Semi-private	70 Arnold Palmer
34	Stonecreek Golf Club	Phoenix	18	Links	Semi-private	71 Arthur Hills
35	SunRidge Canyon Golf Club	Fountain Hills	18	Desert	Public	71 Keith Foster
36	Talking Stick Golf Club	SRPMIC	36	Traditional/Links	Public	70 Crenshaw/Coore
37	Tatum Ranch	Cave Creek	18	Desert	Private*	72 Robert Cupp
38	Terravita	Scottsdale	18	Desert	Semi-private	72 Casper/Nash
39	TPC	Scottsdale	36	Desert	Public/Resort	71 Weiskopf/Morrish
40	Troon C.C.	Scottsdale	18	Desert	Private*	72 Tom Weiskopf
41	Troon North Golf Club	Scottsdale	36	Desert	Public/Resort	72 Weiskopf
42	We-ko-pa Golf Club	Fountain Hills	36	Desert	Public	72 Scott Miller
43	Whisper Rock	Scottsdale	36	Desert	Private*	72 Mickleson/Stephenson/Fazio
44	Villa Monterey	Scottsdale	9 (exec)	Desert	Public	30 Jack Snyder

Source: City of Scottsdale, Economic Development Department

*Private golf courses are not shown on Map 2



Destination Spas

In addition to golf, tourists are attracted to Scottsdale's destination spas, where they can enjoy rejuvenating and relaxing amenities unique to the Arizona desert. *Table 11* lists some of the destination spas located at resorts in the Scottsdale/Paradise Valley market area.

Special Events

Numerous special events take place in the Scottsdale/Paradise Valley market area throughout the year. The City of Scottsdale supports many of these events through the use of bed tax funds. Specifically funded are those events that meet the desired themes – art/culture, culinary, golf, outdoor sports/recreation, and western. Some of the major special events held in Scottsdale are listed in *Table 12* (p. 29).

Table 11 Destination Spas <i>Scottsdale/Paradise Valley Market Area</i>	
Spa Name	Location
Agave	The Westin Kierland Resort
The Saguaro Spa	Saguaro Hotel
Alvadora Spa	Royal Palms Inn
Amansala Spa	Scottsdale Resort & Conference Ctr.
Amethyst Spa & Boutique	Radisson Fort McDowell
Bliss Spa	W Scottsdale Hotel & Residence
Centre for Well-Being	The Phoenician
Eurasia Spa	Scottsdale Resort & Athletic Club
Golden Door Spa	The Boulders
Joya Spa	Intercontinental Montelucia Resort
Jurlique Spa	Firesky Resort & Spa
Revive Spa	Desert Ridge Marriott
Running Water Spa	Scottsdale Camelback Resort
Spa	Scottsdale Villa Mirage
Spa	Scottsdale Links Resort
Spa at the Four Seasons	Four Seasons Resort
The Natural Healing Garden	Orange Tree Golf Resort
Spa Avania	Hyatt Regency Scottsdale
The Natural Healing Garden	Orange Tree Golf Resort
The Salon & Day Spa	Scottsdale Plaza Resort
The Sanctuary Spa	Sanctuary Resort on Camelback
The Spa	Carefree Resort & Villa
The Spa at CopperWynd	CopperWynd
The Spa at Gainey Village	Gainey Suites
The Spa	Marriott Camelback Inn
The Spa at Talkingstick	Talkingstick Resort
VH Spa	Hotel Valley Ho
Willow Stream	Fairmont Princess Resort

Source: Scottsdale Convention and Visitor's Bureau; Economic Development Dept.

Table 12
Selected Scottsdale Events*

January
Sun Country Circuit Quarter Horse Show
Barrett Jackson Collector Car Event
Waste Management Phoenix Open Golf Tournament
P.F. Chang's Rock-n-Roll Marathon & 1/2 Marathon
Russo & Steele Sports and Muscle in Scottsdale
Tostitos Fiesta Bowl (Glendale)
February
Parada del Sol Parade and Rodeo
Hash Knife Pony Express
Scottsdale Arabian Horse Show
March
Arizona Bike Week
San Francisco Giants Spring Training
Scottsdale Arts Festival
April
Region 7 Arabian Championship Show
Scottsdale Culinary Festival
May - August
Summer Spectacular Art Walk
September - October
Artfest of Scottsdale
Scottsdale Classic Futurity & Quarter Horse Show
November - December
Goodguys Car Show
Indian Art Market
Ongoing Activities
Celebration of Fine Art - January through March
Native Trails - January through March
Scottsdale Art Walk - Year-round

*All events listed are held in Scottsdale unless otherwise noted.

For a comprehensive list of events, visit www.scottsdalecvb.com